

# Congress of the United States

Washington, DC 20515

April 22, 2009

President Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20515

Dear Mr. President:

As you approach your first 100 days in office, House Republicans remain committed to working with you and your Administration to address the needs of hardworking American families and small businesses that continue to face unprecedented challenges. We believe that if Washington can put aside petty politics and unite for the good of the American people, we can accomplish great things.

However, we are disappointed by the lack of an open dialogue with regard to legislation and advancing the best possible solutions for the American people. House Republicans have kept our promise to offer better solutions, and have put forward numerous proposals to help small businesses and working families, stabilize home values, and make it easier to restore the savings of millions of Americans. Unfortunately, there has been a sad lack of bipartisanship. This lack of bipartisanship has been a major detriment to your stated desire to change the way that Washington works.

Specifically, we want to work with you on policy proposals aimed at confronting and meeting the challenges facing America:

## **Small Business**

- Allowing small businesses to take a tax deduction equal to 20% of their income, to immediately free up money for small businesses to retain and hire new employees. As you are aware, in 2005 small businesses created 979,102 net new jobs, or 78.9 percent of all new jobs. They are the key to recovery and job creation, and an essential part of the American Dream.

## **Housing**

- Providing a \$5,000 refinancing credit to empower families to pay for mortgage refinancing, buy down points, or reduce their principal balance. This will help all families take advantage of the current low interest rates, and bring capital back into the housing market – a benefit for every homeowner.
- Providing a \$15,000 homebuyer credit for all purchases of primary residences, assuming the buyer puts 5% down. This will help to stabilize home prices by spurring even more home purchases than the \$8,000 first-time homebuyer credit included in the stimulus.

## **Personal Savings**

- Raising the contribution and catch-up limits for retirement savings plans, thus giving Americans an opportunity to more quickly build back their retirement savings and nest eggs, which have been decimated due to the crisis in our financial markets.
- Immediately suspending the capital gains tax on newly acquired assets for the next two years and raise and index to inflation the amount of capital losses an individual can claim

against ordinary income to \$10,000. This will not only increase returns for those investing today, but help mitigate some of the investment losses families have sustained.

- Reducing the lowest individual tax rates from 15% to 10% and from 10% to 5%. As a result every taxpaying family in America will see an immediate increase in their income, with an average benefit between \$500 and \$1,200, and married couples filing jointly could save up to \$3,200 a year. These substantial savings will have a more meaningful impact for families and the economy than the tax credit enacted in the stimulus that maxes out at \$800 for a married couple.

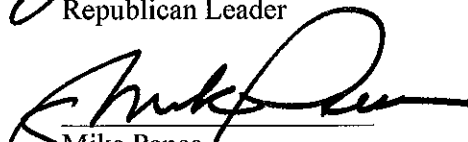
Beyond these tangible, moderate and common sense policies, we also hope that we can continue to work together to prevent passing a budget proposal that increases taxes, spending, deficits and debt to record new levels. To that end, April 26 is this year's Debt Day. On this day, government spending will have already exceeded total government revenue for the entire year. Every dollar thereafter must be borrowed from other countries and left for our children and grandchildren to pay. We ask you to work with us to meaningfully lower spending and give all American's a better future.

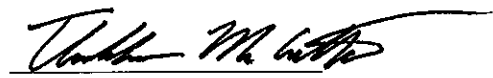
We are also working to develop an "all of the above" strategy to create a cleaner, healthier environment, promote alternative and renewable sources of energy, and reduce our dependence on foreign oil by using America's abundant natural resources, as well as health care reforms that will guarantee American's access to affordable, high-quality health coverage without government rationing care or bureaucrats making decisions that should be left to patients and doctors.


We remain confident that the common-sense idea that you campaigned on, namely that Washington can work together for the American people instead of for political parties, can still work if you will join us in that new direction. Democratic leaders in Congress have so far ignored your call for a new era of bipartisanship in Washington -- however the next 100 days can be different. We know that by working together, we can face our challenges and renew our nation, and we respectfully request that our meeting tomorrow serve as the beginning of a meaningful bipartisan conversation about the challenges we face.

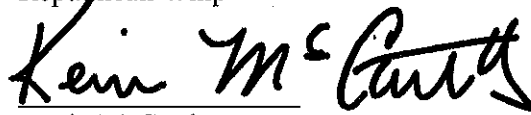
Sincerely,

  
John Boehner  
Republican Leader

  
Mike Pence  
Republican Conference Chairman

  
Thaddeus McCotter  
Republican Policy Committee Chairman

  
Eric Cantor  
Republican Whip

  
Kevin McCarthy  
Chief Deputy Whip